Office of the Employer Adviser

Annual Report

2005 - 2006

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2005 - 2006

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A Message from the Director

I am pleased to submit this report on the OEA's activities for 2005 – 2006.

We continue to build on a solid foundation with our clients and stakeholders. Through the efforts of our dedicated and committed staff our representation and advice services continue to be second to none.

Although we are providing information and claims management tools through our website, we began providing a structured, limited, and planned training program to employers. In partnership with the Employers Advocacy Council we provided a series of workshops to over 90 employers on conducting appeals. The popularity of this workshop indicates how eager employers are for relevant training to meet their workplace insurance obligations.

We continue to resolve an increasing number of disputes without hearings, thereby maximizing resources, and reducing adversity. The success of our continued focus on providing quality customer service is reflected in our high client satisfaction rate of over 97%, an increase of 1% over last year.

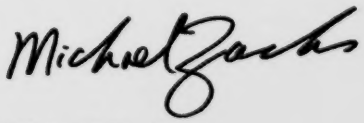
Our e-bulletin is regularly sent to our clients providing an update on current information about the WSIB, and tips on better workplace insurance management.

The OEA has maintained its commitment to assist employer stakeholders by providing advice to numerous associations. We continue to intervene in WSIAT hearings dealing with significant policy and legal issues. The OEA continues to

advise stakeholder employer associations on policy issues, and other developments in the field of workplace insurance. We were actively involved in assisting employer associations in a series of WSIB stakeholder information sessions on financial and other challenges facing the WSIB. The OEA also made substantive submissions to the WSIB on the Board's draft return to work policies, which were shared with employer associations to assist them in preparing their own submissions. In addition, we made submissions to the WSIB on its proposed standards for designated entities.

The OEA considers its staff to be among the most competent and professional representatives in the field. In order to maintain this high level of skill, we provide our staff with organized training events over the year. In 2005–06 our staff attended an Ontario Bar Association legal education program, and had several presentations from representatives of the WSIB on various Board programs.

As always I express my appreciation to the staff of the OEA for their ongoing dedication and professionalism in serving the employers of Ontario. It has been a privilege to lead this agency.



Michael Zacks
Acting Director

Part 1 OEA Mandate

The mandate of the Office of the Employer Adviser is established by Section 176(2) of the Workplace Safety and Insurance Act, 1997 ("the WSIA"),

... to educate, advise and represent primarily those employers with fewer than 100 employees, in issues arising under the WSIA.

Our vision and mission flow from this legislative mandate:

OEA VISION

An Ontario in which small and medium-sized businesses operate safe, fair and high-performing workplaces that contribute to a vibrant, competitive economy.

OEA MISSION

The OEA's mission is to be the premier organization for providing representation, advice and education to Ontario employers regarding workplace safety and insurance matters.

Part 2 Overview of Programs and Activities

Advice Services

Workplace safety is a critical responsibility of Ontario employers. The Advice services provided by the OEA are important in helping employers meet their obligations in a timely and cost effective manner. The ability to quickly and easily access information allows employers to avoid errors and builds their self-reliance before frustration with the system can set in. Thorough advice means the employer is better able to understand and navigate a complex system, better safeguard the workplace and their workers, obtain better business outcomes, and avoid appeals.

Although our mandate is to primarily serve employers with fewer than 100 workers, the Advice Centre personnel provide just-in-time counsel to all Ontario employers who contact us, so they can make good business decisions, and avoid costly mistakes and unnecessary penalties. We charge no fee for our service, which is advantageous for smaller companies, since they can access free independent, strategic advice whenever they require it.

The OEA Advice Centre is staffed by four Intake Advisers located in our Toronto head office, who take calls from Ontario employers about their workplace safety insurance concerns. We also accept e-mail enquiries, so that employers can contact us outside business hours; these often result in a return phone call from an Intake Adviser to discuss the matter in greater depth with the employer.

The circumstances of each call are different and our trained staff provides advice that is detailed, thorough and tailored to the business realities of each client. A session

of telephone advice may last an hour or more, depending upon the complexity of the problem(s) confronting the employer. Because of our emphasis on answering calls live, employers especially appreciate the expert, prompt answers to their questions; questions such as how to report or manage a claim for an injured worker, how to return the injured worker to the job, if there are any options in dealing with a large or unexpected premium increase, etc.

Clients, through random telephone surveys, have expressed 100% satisfaction with the services provided via the Advice Centre. The OEA believes this stems from our speedy response (71% of calls are answered live, with the remainder responded to within one business day), high level of expertise and understanding of the broader business/operational issues facing employers.

Employers can also choose to call their local OEA Employer Specialist for advice. The OEA has fifteen Employer Specialists located in communities throughout Ontario. Many employers have come to know their local specialist through referrals from the Workplace Safety and Insurance Board (WSIB), the Workplace Safety and Insurance Appeals Tribunal (WSIAT), health and safety associations, community and business groups, or existing and former OEA clients.

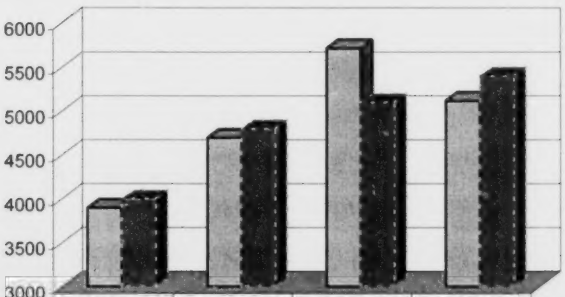
Fiscal 2005-06 saw the instances of advice provided to Ontario employers decrease by 10.4% year over year. Note, however, that the number of advices provided is still up 8.9% over the 2003-04 fiscal year – i.e. the trend is still upward over the three year period. We had a very large year over year increase of more than 20% in fiscal 2004-05 - essentially a 'blip' - due to the implementation and success of a number of co-ordinated outreach activities. These activities, which included contact with and speaking engagements at local Chambers of Commerce meetings by our regional staff, were not repeated in the current reporting period. We attribute this year's dip in instances of advice to the lack of continuity of these outreach activities. This year the OEA provided 5,118 instances of advice. Advice is provided as a 'pull' activity, i.e. we

are responding to employer demand (their calls to the advice centre), rather than our staff contacting employers on an unsolicited basis. As a statistic, it reflects employers contacting us for information, education and direction. This year's advice statistics, therefore, are indicative of the need for sustained outreach efforts, over multi-year periods, in order to increase our visibility and reach many more new clients. We continue to have our system partners include references to our services and toll free number in their letters and publications (e.g. the WSIB form letters to employers that routinely direct any needing assistance to the OEA); and the Ontario Business Connects (OBC) program remains an important vehicle for the widespread distribution of our Employer Guides locally.

We intend to return to more outreach activities as part of the OEA business plan for 2006-07 and feel confident that our target of 5,400 instances of advice for next year is achievable.

Chart 1

Instances of Advice ('Advices') to Employers

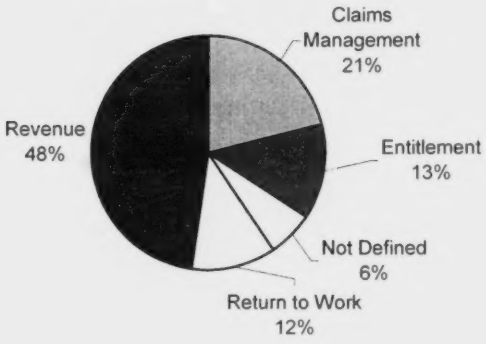


	2002-2003	2003-2004	2004-2005	2005-2006
Advices	3901	4698	5713	5118
Target	4000	4800	5100	5400

Analysis of the subject of the advice being provided shows that more inquiries were about Revenue issues than anything else. The second most important focus of concern was Claims Management. Entitlement and Return to Work were fairly evenly split in

third and fourth place, with regard to frequency of inquiry. This breakdown reflects the focal role of the premiums being paid to fund the system and the widespread lack of knowledge in the employer community about their obligations under the WSIA.

Chart 2
Advice Issues 2005-2006



As noted, while our clients are generally very satisfied with the services provided by the OEA, we felt it was possible to improve service quality in the Advice Centre if we strove to answer more of our incoming calls 'live'. As a new measure in 2004-05, we targeted a live answer rate of 65%, which was exceeded. In 2005-06, we achieved a rate of 71%, reflecting our continued success in providing a fast response time to employers calling in for advice.

It is worth looking at advices provided via our website, to establish a baseline for future reporting. We are hopeful that our new website will increase traffic, and that the provision of OEA services through the web and/or initiated there, will grow substantially over the next few years. In the year reported on, we provided 98 advices to inquiries made through our website. This represents approximately 2% of all advices provided in 2005-06, up slightly from last year. We remain convinced that it is important to provide this alternative to our employer clients, available 24/7, as a service delivery option.

Representation Services

In this program, we predominantly represent employers with fewer than 100 employees, in disputes arising under the WSIA, at both the WSIB and at the WSIAT (see Chart 5, page 13). At the operating level of the WSIB, representation services involve negotiation, which is provided by an Intake Adviser or by an Employer Specialist, by means of telephone calls or correspondence. At the two appeal levels (WSIB Appeals Branch and WSIAT), as well as in return-to-work mediations, Employer Specialists provide the representation services. At this level, representation involves a range of activities, from negotiation to appearing at mediations or hearings with the employer and conducting the case on his or her behalf.

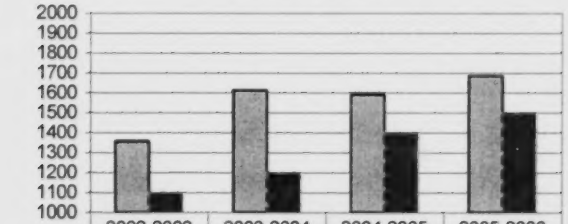
Through all of our representation services, we play an important role in reducing conflict in the Workplace Safety and Insurance (WSI) system. OEA Intake Advisers and Employer Specialists maintain good working relationships with staff at the WSIB operating levels, and contact them early in a new case to discuss resolution options. We maintain a close working relationship with the WSIB's Return-to-Work Mediators, who refer employers to us who would otherwise attend mediations without representation and therefore be at a disadvantage in the process. Our involvement ensures an equal footing for both parties, and supports a mediated solution that returns employees to the job in a timely, cost-effective manner, removing some strain from the WSI system.

Employers want a fair and reasonable outcome, and they want it as soon as practicable. They are not interested in making new points of law, or participating in a lengthy appeal process. They wish to focus on their business operations, planning and productivity. To this end, the OEA promotes the early resolution of disputes. We initiate discussions with the appropriate WSIB front-line staff, such as adjudicators, customer service

representatives, account managers and revenue auditors, and these negotiations often result in resolution of the dispute, before the parties become entrenched in their positions. Our success in this endeavour is reflected in Performance Measure A1 (see Appendix A), which shows that in 2005-06 we resolved 74% of disputes without a hearing, marginally better than the preceding year. We are clearly having a positive effect in the system.

While these efforts often successfully conclude cases at the operating level of the WSIB, some cases do proceed to appeal. Also, some employers do not learn about our agency until their case has progressed to the appeal stage. Of the 1,686 cases worked on in 2005-06, Employer Specialists represented employers in 184 cases that involved appeals – i.e. there were 6% more cases, and 30% (78) fewer appeals year over year. In either instance, whether cases proceed to appeal or not, we employ the same strategies to resolve matters as early as possible. The strategies include negotiating with the worker's representative and participating in mediations and/or hearings on behalf of employers. In a system where 95% of appeals are worker-driven, OEA involvement ensures that both the employer and worker perspectives are presented to adjudicators, thus improving the balance in the system.

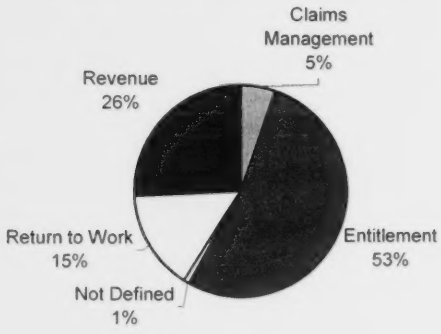
Chart 3
Cases Worked On



	2002-2003	2003-2004	2004-2005	2005-2006
Cases	1357	1611	1591	1686
Target	1100	1200	1400	1500

In comparison with the data for instances of advice, analysis of the representation issues shows Entitlement to be the number one concern, not Revenue. Revenue and Return to Work are significant, with Claims Management being the issue for 5% of employers.

Chart 4
Representation Issues 2005-2006



Education of Employers

On average, a small employer has a workplace injury occur once every eight years. At the time of the injury, the employer's need for information about claims management and return to work is acute. However, at other times, most small business owners are actively focused on running their businesses, so learning about WSIB policies and procedures is not a priority. These same employers are seldom free themselves, nor have staff readily available, to attend workplace insurance seminars or information sessions.

Accordingly, the OEA's educational strategy has evolved from one based on having employers attend intensive adult-education workshops, to a multi-channel approach which makes information available to employers in a format that is timely, relevant and accessible. Our education strategy in recent years has included educating employers during our casework, and posting useful information and tools on our website, while

continuing to assist stakeholders – interest groups/employer advocacy organizations, stakeholder employer associations, etc. - with their education initiatives where appropriate. As stated in the opening comments, we have begun to work in partnership with the Employers Advocacy Council to meet an existing need of midsized employers for information seminars. We are proposing to continue meeting this demand with new information sessions as circumstances require.

One of the goals of our casework is to build self-reliance for employers within the WSI system, by making sure that they understand their rights and obligations under the Workplace Safety and Insurance Act. This includes teaching employers how to improve their claims management and "return-to-work" procedures, and how the WSIB's experience rating system works, so that employers will be more independent and self-reliant in the future. Performance Measure A2 (see Appendix A) shows the proportion of OEA clients who used our services for the first time in 2005-06. This is a blended measure combining both advices and claims. At 81% for employers seeking advice, it is clear that we have a small minority of employers coming back for additional advice – their contact with the advice centre has helped them learn how to deal with the WSI system. Our contact with clients on the representation side extents for a significant period of time, at an intensive level; accordingly only 18% of employers using our representation services were doing so for the first time in the 2005-06 fiscal year. On a blended basis, 68% of our clients are new. We therefore believe that we are effectively fulfilling our education mandate to increase self-reliance among Ontario employers.

In addition to the 'hands-on' education provided through our casework, the OEA strives to meet the needs of our broad customer base by providing WSIB-related information through a variety of access/delivery mechanisms:

- We have a new web domain, www.employeradviser.ca, a url which enables employers to more easily find the OEA, because it more intuitive. Website

content continues to evolve, with new information being posted as it becomes current.

- OEA e-bulletins now go out to our client base 6-8 times per year, in an expanded newsletter format. Employers, and employer associations/interest groups attending workshops or other presentations provided by OEA staff, are also added to our distribution database, whenever possible. We continue to get very positive feedback for this pro-active delivery of timely WSIB-related information and materials.

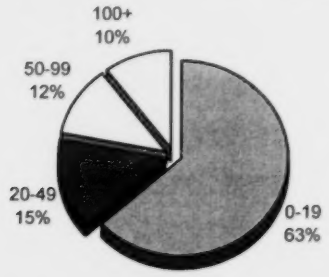
- Archives of our e-bulletins are now readily available on our website, in both PDF and HTML format, serving as an easily accessible guide to recent changes in workplace safety insurance related policies and procedures. Employers using our site can sign up for e-bulletin subscriptions while visiting.

- Re-publishing our Employers Guide in hard copy form, in addition to having it available on-line, continues to be a hit with employers. Filled with information needed by employers about such things as who should register with WSIB, how to do so, what an employer's rights and responsibilities are under the WSIA, etc., it serves as a convenient ready reference for soon-to-be employers as well as those engaged in small to medium sized businesses. In 2005-06 we distributed more than 25,000 Employers Guides, more than 4,000 in French, primarily through the Ontario Business Connects locations.

Part 3 OEA Clients

As noted previously, the OEA's mandate is to serve primarily those employers with fewer than 100 workers. The merit review undertaken before the OEA represents an employer includes determining their size. We only represent employers with more than 100 workers where the issues involved could set precedents, where highly complex medical/legal issues need to be addressed or where other extenuating circumstances are involved. As such, less than 5% of our representation clients have more than 100 employees. It is not administratively viable to screen clients who contact our Advice Centre. It is also generally accepted that permitting access to advice for all employers greatly improves the system for all. 573 (or 10%) of clients seeking advice have 100+ employees.

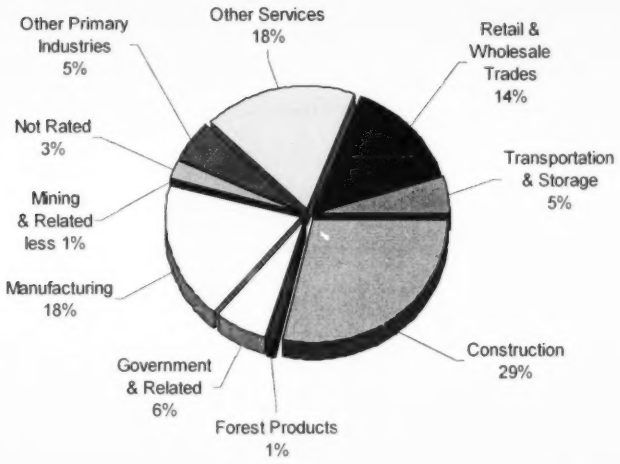
Chart 5
Breakdown of OEA Clients
by Company Size (number of employees)



The sectoral analysis below is based upon WSIB classifications. The breakdown is consistent with the prevalence of small to medium sized employers in the different industry sectors. The "Construction" industry is our largest client group at 29%, "Other Services" (tourism, hospitality, vehicle sales), and "Manufacturing" follow at 18% each.

Chart 6

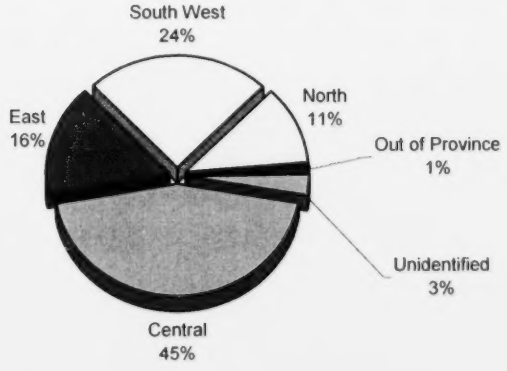
Breakdown of OEA Clients by WSIB Industry Sector



Information regarding the regional distribution of OEA clients is presented below. Our services would appear to reflect the population and business demographics of the province, with the Central area, representing the Greater Toronto Area, requiring the bulk of our services.

Chart 7

Breakdown of OEA Clients by Location (postal code)



The one consistent criticism of our service that we see from the client surveys, is that we are not better known. We have demonstrated the significant impact increased outreach can have on service demand with last year's numbers. We will be returning to more outreach activities, including some focused educational workshops, as part of our business plan for 2006-07.

Value to our Client

On an ongoing basis, we survey our clients, asking for feedback on our services. As indicated in Performance Measure A3 (see Appendix A), we continue to be rated as providing satisfactory services by 97% of employers surveyed. In addition, 97.5%, or 229 out of 235 employers, would recommend our services to others, which we regard as an even more important indicator of our client success.

We also ask for comments from our surveyed employers and, as noted, we are consistently told that we are a too well hidden secret. We will continue to build on our reputation as an organization with professional and knowledgeable staff, who provide excellent, timely advice and representation services.

Client Testimonials

We are pleased to provide the following excerpts from communications received from OEA clients, commenting on the services they received from our staff:

You were of great help to direct me in my options and understanding complex WSIB cases. Very much appreciated and will refer you to others should the need arise.

AS
Ottawa

[The Specialist] was amazing to work with as she went all out for us, although we were hoping for better results. Hope that [the Specialist] will be around for future assistance, as [client] was astounded with her work. [Client] is also pleased that such assistance exists for small employers, as we had never heard of the services before.

RGC
Sudbury

[The Specialist] was exceptional. His hard work and professionalism were well noticed.

NG
Niagara

Thoroughly impressed with both the work provided by [the Specialist] and the overall service.

SA
Hamilton

We're glad that OEA is around to assist employers such as us.

S
London

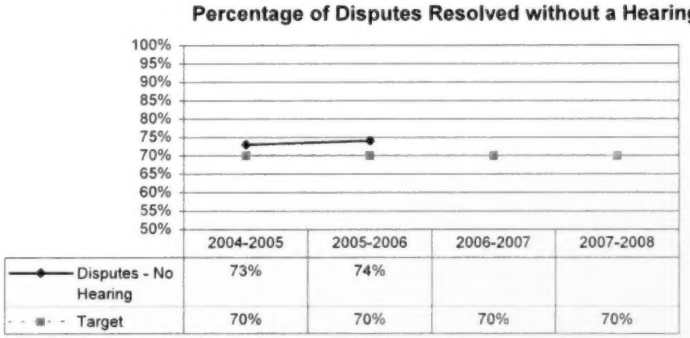
[The Specialist's] work and effort has been remarkable. His professionalism is very gratifying.

PP&H
Oakville

Appendix A: OEA Performance Measures 2005-2006

Core Business: Advice and Representation Services — A1

Performance measure for 2005-2006: Percentage of disputes resolved without a hearing



Agency Contribution

OEA staff employ alternate dispute resolution strategies such as negotiation and mediation to help employers resolve disputes at an earlier stage.

In revenue matters where the dispute only involves two parties (i.e. the WSIB and the employer), every effort is made to resolve matters at the operating level. However, 95% of appeals are worker-driven and employers often contact the OEA for assistance after the dispute has proceeded to the appeal level. This limits the target that can realistically be achieved.

What does the graph show?

The OEA is consistently contributing to the reduction of adversity in the workplace safety and insurance system and helping employers to manage disputes more efficiently and effectively.

2005-06 Commitments

The commitment for 2005-06 was 70% of disputes resolved without a hearing.

Long-term Target

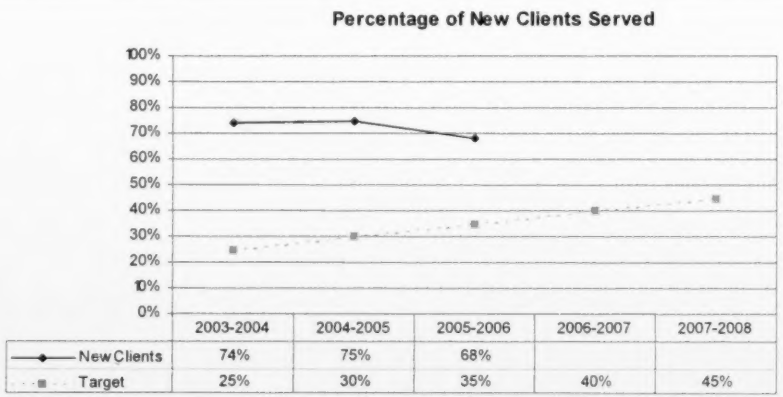
See graph.

μ Proposed for Publication	μ Internal Use Only	☒ Existing Measure	☐ New Measure

Appendix A: OEA Performance Measures 2005-2006 (cont'd)

Core Business: Advice and Representation Services to Employers — A2

Performance measure for 2005-2006: Percentage of clients served in 2005-06 who used OEA services for the first time.



Agency Contribution

Client feedback consistently calls on the OEA to ensure that more employers are aware of our services.

This measure helps to determine whether we are expanding our reach to those eligible employers who are paying for OEA services in their WSIB premiums, but who have not previously accessed our services. It also helps to ensure clients do not become overly dependent upon the OEA.

What does the graph show?

There was a decline in the number of new clients receiving advice and representation services in 2005–2006. This decline is attributable to limited outreach activity in 2005-06. However, we were still able to significantly exceed our target of 35% of clients being first time users.

2005-06 Commitments

The commitment for 2005-06 was 35% new clients served in year.

Long-term Target

See graph.

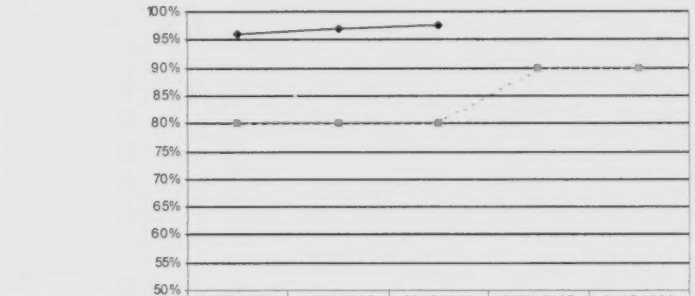
μ Proposed for Publication	μ Internal Use Only	☒ Existing Measure	☐ New Measure

Appendix A: OEA Performance Measures 2005-2006 (cont'd)

Core Business: Advice and Representation Services — A3

Performance measure for 2005-2006: A customer satisfaction rate of 80% or higher.

Percentage of Satisfied Clients



	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
Satisfied Clients	96%	97%	98%		
Target	80%	80%	80%	90%	90%

Agency Contribution

OEA clients are very satisfied with the service they receive. The primary complaint is that they did not learn of our services earlier. In addition to OPS customer service standards, the OEA has a number of internal standards, policies and performance measures that help to achieve this success. They include reporting on calls answered live at the Advice Centre, expectations for turn-around in the review of files, preparation of submissions, routine follow up with clients, etc. The OEA's case management system was designed to provide tools to OEA staff that help them monitor and meet these expectations.

What does the graph show?

Clients are very satisfied with services provided by the OEA. Client satisfaction will continue to be a priority at the OEA.

2005-06 Commitments

Achieve a client satisfaction rate of 80% or higher.

Long-term Target

See graph.

μ Proposed for Publication	μ Internal Use Only	☒ Existing Measure	☐ New Measure

Appendix B: Internal Program Performance Measures

OFFICE OF THE EMPLOYER ADVISER				
Measure	**Standard/Target**	**2004-2005 Achievements**	**2005-2006 Commitments**	**2005-2006 Achievements**
Instances of Advice	4,800	5,713	5,400	5,118
Calls Answered Live	60%	68%	70%	71%
Representations	1,200	1,591	1,500	1,685
Cases Opened		736	650	721
Cases Closed		648	650	662

Note: These targets and achievements are discussed in the body of this Report, on pages 4 through 11.

Appendix C: OEA Financial Report 2005-06

All Figures in $000.0 thousand (except "% of Variance" column)

Account	Final Budget *	Total Actual Expenditures **	Variance	% Variance	Explanation
Salaries & Wages	2165.0	1943.5	221.5	10.2%	*Unfilled vacancies, including Director*
Benefits	394.5	376.0	18.5	4.7%	
Transp. & Comm.	132.5	113.0	19.5	14.7%	*Discretionary spending constraints; delay in refurbishing fleet*
Services (incl. Lease)	416.1	323.8	92.3	22.2%	*Discretionary spending constraints - did proceed with Case Management system upgrade*
Supplies & Equip.	107.5	68.0	39.5	36.7%	*Discretionary spending constraints*
Transfer Payments	0.0	0.0	0.0	0.0	
Total	**3215.6**	**2824.3**	**391.3**	**12.2%**	
Recoveries	(3214.6)	(2824.3)	(390.3)	12.2%	*Expenditures fully recoverable from WSIB*
TOTAL	**1.0**	**NIL**	**1.0**		

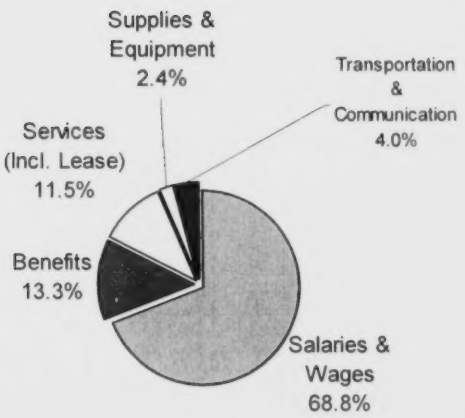
- * Final Budget = Printed Estimates, +/- TBO and/or re-alignment of funds by standard account.
- ** Total Actual Expenditures including lease cost.

Revenues Generated From:	Forecast	Total Actual Revenue	Variance	% of Variance	Explanation
Not applicable					

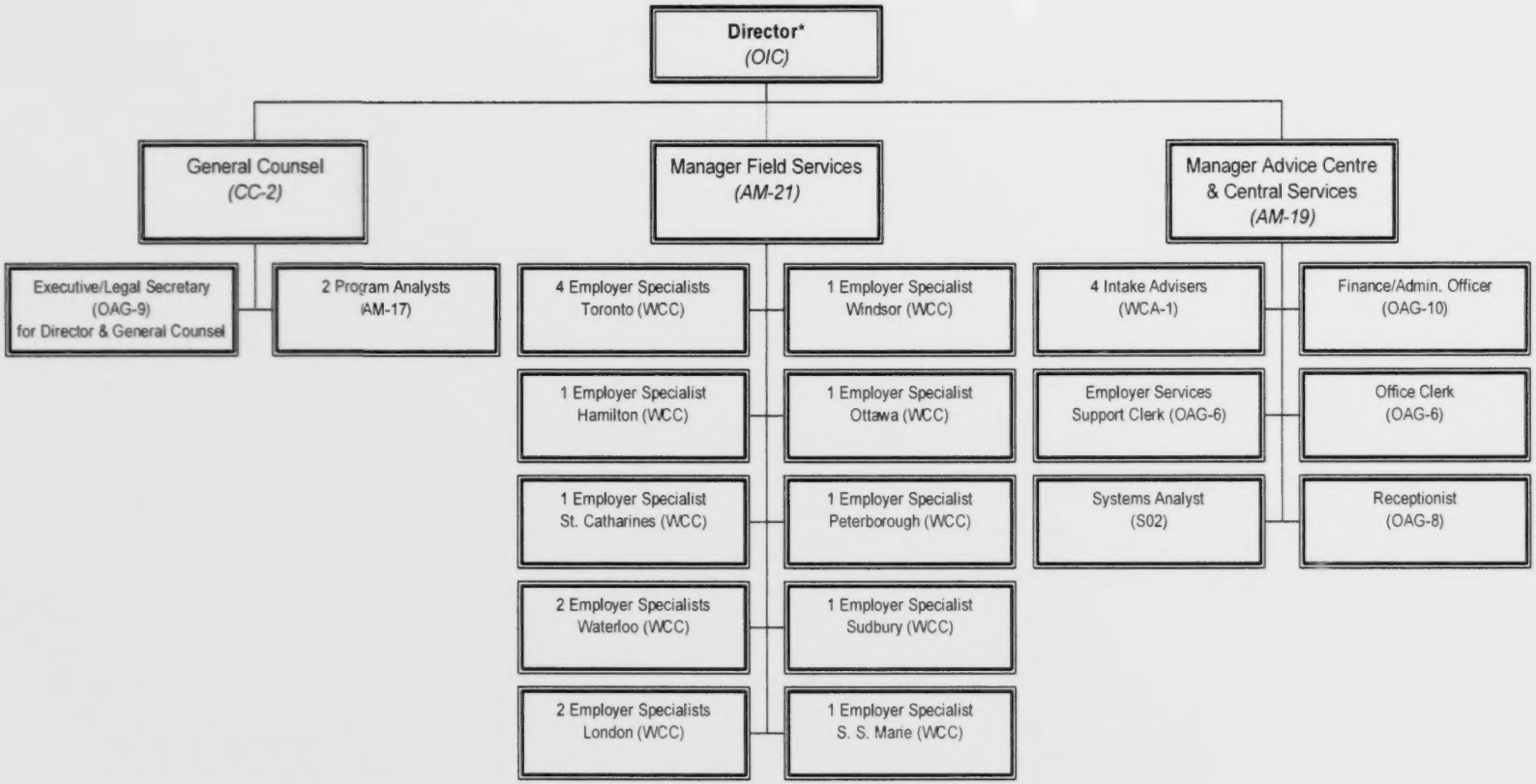
Appendix C: OEA Financial Report 2005-06 (cont'd)

Chart 6

2005-06 Budget Actuals



OEA Organization Chart



* An OIC appointment has not beenmade to the OEA and the General Counsel is currently acting as the Director.

Office of the Employer Adviser

Call Us

Toll Free: 1-800-387-0774

Visit Our Website

www.employeradviser.ca

Fax Us

(416) 327-0726

or

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